



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

April 20, 1998

Barge Pilot Strike Continues. Having adequately dealt with seasonal flooding and lock closures on the mid-Mississippi River, the grain industry is still faced with a barge pilot strike, now entering its third week. Several locks have been closed between Canton, Missouri (Lock and Dam 20) and Hannibal, Missouri (Lock and Dam 22). However, as these and other locks reopen, the Army Corps of Engineers reports that barge traffic flow is returning to normal, with only a few delays remaining. Lock and Dam 16, near Muscatine, Iowa, and Lock and Dam 17, near New Boston, Illinois, were both reopened late last week, as water levels receded. It is anticipated that other restrictions will also be lifted as the river returns to a level deemed safe for barge transportation. Meanwhile, Dickey Mathes, president of Pilots Agree, representing the striking barge pilots, has called for riverfront rallies to be held from St. Louis south to Mobile and Houston to draw public attention to their situation. Mathes also asked that the Army Corps of Engineers "not relax their own rules regarding a two-pilot minimum...at a time when rivers are swelling with dangerous floodwaters..." A U.S. Coast Guard official, however, stated that no such rule regarding a two pilot minimum even exists. Commander John Holmes, located in St. Louis, noted that because pilots cannot work more than 12 hours a day, it is common for some towboat companies to use two pilots so that the tows can be operated 24 hours a day. However, within the 12-hour limit, the law allows towboat companies to use only one pilot, if they choose. In addition, based on USDA data, there does not appear to be an unusually high volume of vessels waiting to be loaded in Gulf ports due to the disruption in barge transportation. (*Bridge News, Reuters, Army Corps of Engineers*)

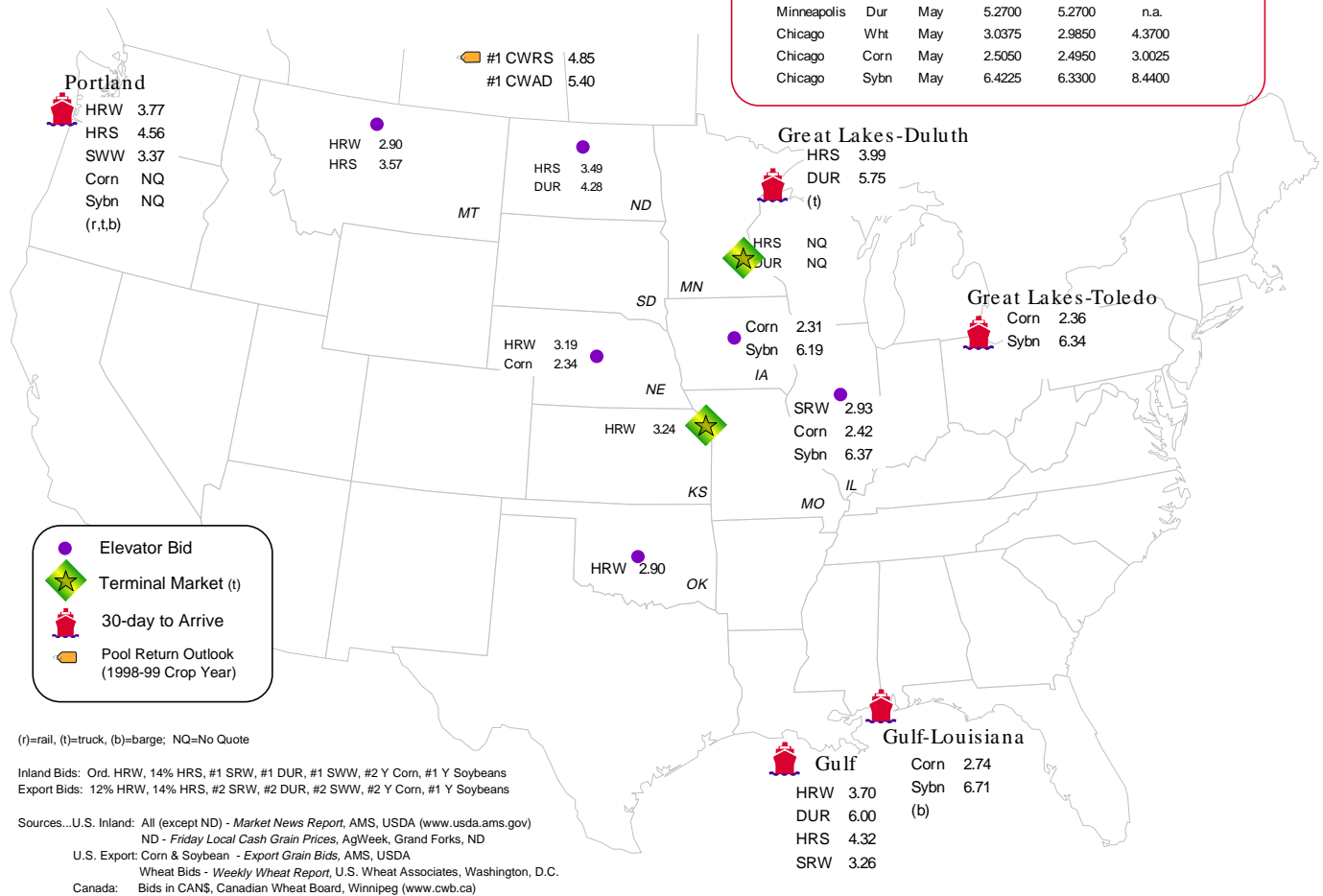
Cargill Granted Fee Waiver By Port of Seattle. The Port of Seattle recently granted Cargill's request to waive 6 months worth of dockage fees, dependent on the renewal of the company's 5-year lease for its Seattle grain terminal. The Port Commission voted to sustain the revenue loss and allow Cargill to forego paying dockage fees of \$500,000 to \$580,000 during a time when Cargill's corn exports are near their lowest level in a decade. The company pays annual port fees of approximately \$2.7 million, including \$1.06 million for rent and 50 percent of the dockage fees. Their facility loads both corn and soybeans. During an interview with *Bridge News*, Patricia Davis, a port commissioner, said that the port must work together with Cargill during this export slowdown. Cargill's leaving the port would also mean the loss of approximately 200 full-time jobs. If Cargill does not renew its lease by November, however, the fees will have to be paid back, according to a port spokesperson. (*Bridge News*)

STB Making a Way for Less Rail Traffic. The Surface Transportation Board (STB) is taking steps to end rail freight traffic jams. The STB is asking railroads and shippers to choose by May 15 three "disinterested experts" to seek solutions to the technical, but important, question of how to measure whether a railroad earns enough money. It is ordering railroads to meet a "broad range of shipper interests" under a board administrative-law judge and report by August 3 so that they may agree on new standards to allow one railroad to use the tracks and yards of another. This will give "competitive access" to shippers who must use rail. The Board is taking immediate steps to end abuses, one of which is the overuse of the legal discovery process, to drag out determining whether a railroad has "market dominance" over a customer's shipments. Finally, the STB is ordering railroads to report by May 11 on their progress in setting up a "formalized dialogue" with shippers "large and small," and with their union about rail service problems. The board said that it could not ignore the widespread outcries about anticompetitive practices and the service meltdown stemming from the troubled merger of Union Pacific Corporation and Southern Pacific Company. (*Bridge News, AP, The Washington Post*)

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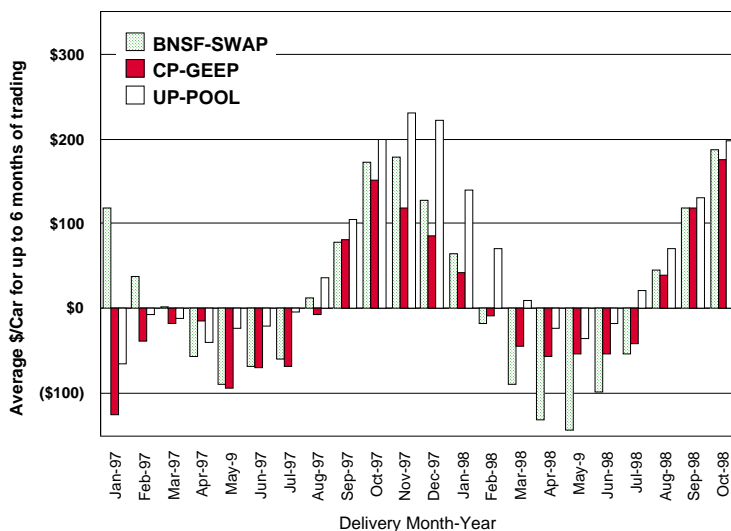
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Grain Bid Summary



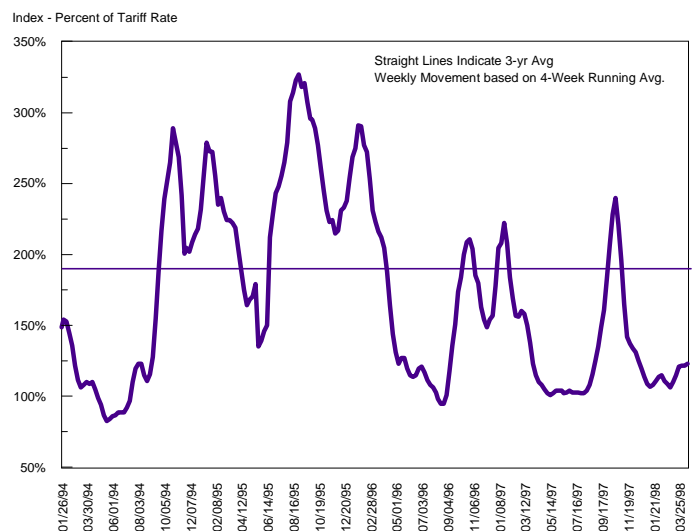
Futures:				Week Ago	Year Ago
			04/17/98	04/09/98	04/18/97
Kansas City	Wht	May	3.2400	3.1875	4.9950
Minneapolis	Wht	May	3.6950	3.6350	4.6375
Minneapolis	Dur	May	5.2700	5.2700	n.a.
Chicago	Wht	May	3.0375	2.9850	4.3700
Chicago	Corn	May	2.5050	2.4950	3.0025
Chicago	Sybn	May	6.4225	6.3300	8.4400

Secondary Rail Market Bids



See the Grain Trax page at www.ugpti.org for more graphs of rail premiums.

Spot Barge Rate - Illinois River



Rail Car 'Auction' Offerings				
Delivery for:	June-98		August-98	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	21,529	99%	no offer	
UP-GCAS	5,400	45%	no offer	
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	May-98	June-98	July-98	Aug-98
BNSF-COT	(\$208)	(\$150)	(\$54)	\$43
CP-GEEP	(\$55)	(\$57)	(\$44)	\$69
UP-Pool	\$20	\$54	\$92	\$105

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	June-98	August-98	Sept.-98
COT/N. Wheat	no bid	no offer	no offer
COT/S. Corn	no bid	no offer	no offer
GCAS/Region 2	1	no offer	no offer
GCAS/Region 4	55	no offer	no offer

Source: T&M/AMS USDA. Data from www.bnsf.com, www.uprr.com, (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)**Southbound Barge Freight Contract Rates***

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

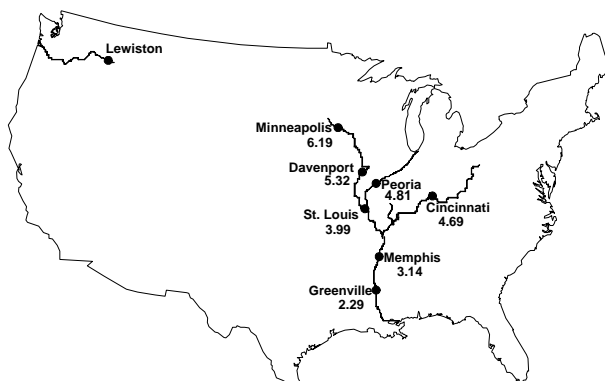
Week ended	River/Region	Contract Period	Rate
4/17/98	Illinois	this week	130
	Lower Ohio	this week	100
	St. Louis	this week	97.5-100
	St. Louis	next week	100

Southbound Barge Freight Rates

	4/15/98	4/8/98	May '98	July '98
Twin Cities	168	160	146	140
Mid-Mississippi	139	133	123	119
Illinois River	128	120	110	110
St. Louis-Cairo	98	98	91	92
Lower Ohio	98	97	101	102
Cairo-Memphis	91	90	88	92

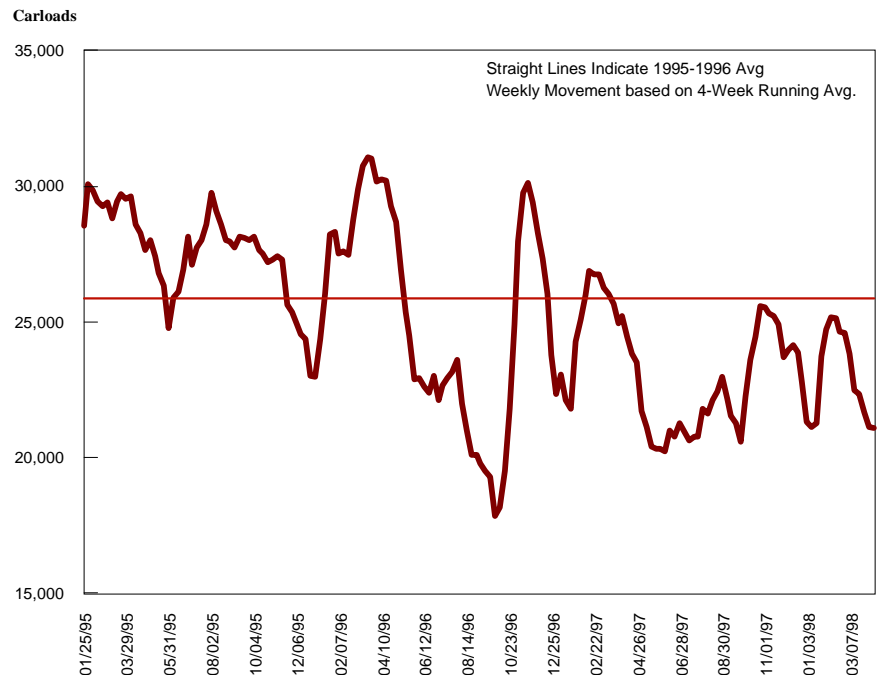
Source: Transportation & Marketing /AMS/USDA
nq- no quote

* Merchants Exchange of St. Louis Daily Barge Call Session

**Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'**

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
3/28/98	21,504
4/4/98	21,145
4/11/98	19,046
Year to Date - 1998	324,387
Year to Date - 1997	356,582
Total 1997	1,199,995
Total 1996	1,235,123
Source: American Association of Railroads	



Class I Rail Carrier Grain Car Bulletin

Carloads

			<u>East</u>					<u>West</u>		<u>Canada</u>	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP		
04/04/98	587	2,409	1,410	2,597	7,628	494	6,020	2,648	4,712		
This Week Last Year	423	2,313	1,146	2,064	7,285	667	8,215	2,637	4,538		
1998 YTD	9,880	32,783	17,069	33,987	116,529	9,145	85,948	36,552	57,314		
1997 YTD	6,874	32,424	23,319	33,925	109,931	8,640	112,597	36,302	57,513		
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714	181,387		
1995 Total	37,851	133,755	61,612	139,043	410,274	34,393	447,786				

Source: American Association of Railroads

Tariff Rail Rates for Unit Train Shipments

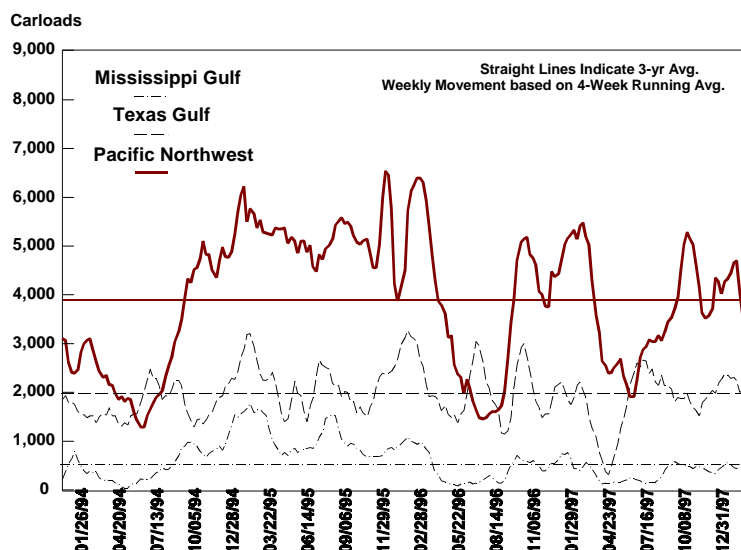
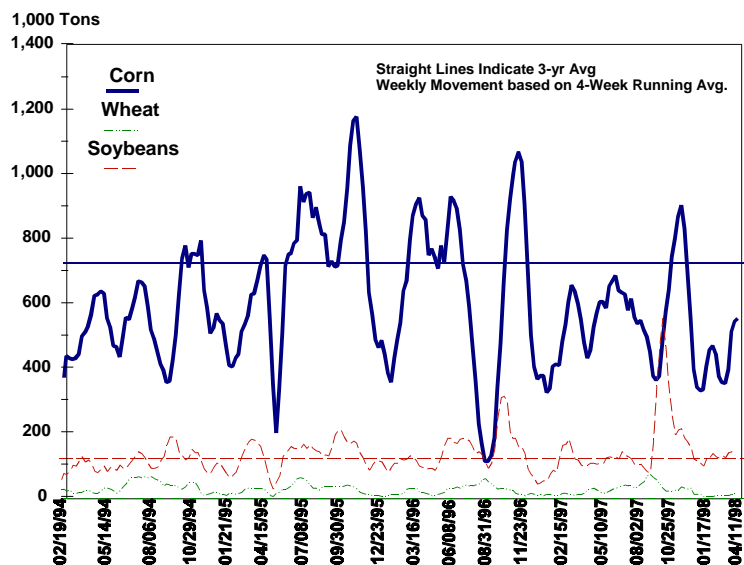
April 1998

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
01/17/98	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$18.60	\$0.62
11/06/97	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,027	\$36.54	\$1.21
11/17/97	46531	Wheat	Kansas City, MO	Houston, TX	\$1,450	\$13.16	\$0.44
01/13/98	43586	Wheat	Kansas City, MO	Portland, OR	\$3,812	\$34.59	\$1.14
01/13/98	43581	Wheat	Omaha, NE	Portland, OR	\$3,505	\$31.81	\$1.05
09/16/97	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
01/15/98	33111	Corn	Kansas City, MO	Houston, TX	\$1,450	\$11.57	\$0.41
10/01/97	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$20.75	\$0.73
09/16/97	31040	Corn	Omaha, NE	Portland, OR	\$2,485	\$19.83	\$0.70
11/16/97	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,080	\$27.95	\$0.92
11/16/97	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
03/25/98	806	1,283	2,326	210
04/01/98	322	2,409	2,753	200
04/08/98	528	2,000	1,482	144
YTD 1998	6,691	29,904	55,201	4,586
YTD 1997	8,087	27,249	69,876	2,484
Total 1997	20,152	93,265	194,905	9,147
Total 1996	25,899	113,804	199,709	11,304
Source: Transportation and Marketing/AMS/USDA				

Rail Deliveries to Port**Barge Movements - Locks 27****Barge Grain Movements**
for week ending 04/11/98

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	209	14	65	293
Winfield, MO (L25)	272	20	75	376
Alton, IL (L26)	464	22	126	614
Granite City, IL (L27)	420	19	91	532
Illinois River (L8)	173	0	54	226
Ohio (L52)	14	9	14	71
Arkansas (L1)	0	25	12	37
1998 YTD	6,737	341	2,433	10,767
1997 YTD	7,550	391	2,175	11,604
Total 1997	29,685	2,689	9,584	45,315
Total 1996	34,210	2,348	8,297	48,963

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers

U.S. Export Balances* (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
04/09/98	1,127	274	1,081	490	169	3,140	5,657	1,678	10,475
This Week Year Ago	1,104	153	945	492	258	2,952	7,988	3,534	14,474
<u>Cumulative Exports-Crop Year</u>									
97/98 YTD	8,622	4,505	5,275	4,942	1,118	24,462	23,035	20,961	68,458
96/97 YTD	6,792	3,548	6,981	5,502	845	23,668	30,121	19,772	73,561
95/96 Total	9,867	6,792	8,918	6,443	897	32,917	55,769	23,550	112,236
94/95 Total	10,157	5,453	7,686	5,837	893	30,026	54,742	23,410	108,178

Source: Foreign Agricultural Service YTD-Year-to-Date (fas.usda.gov) Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

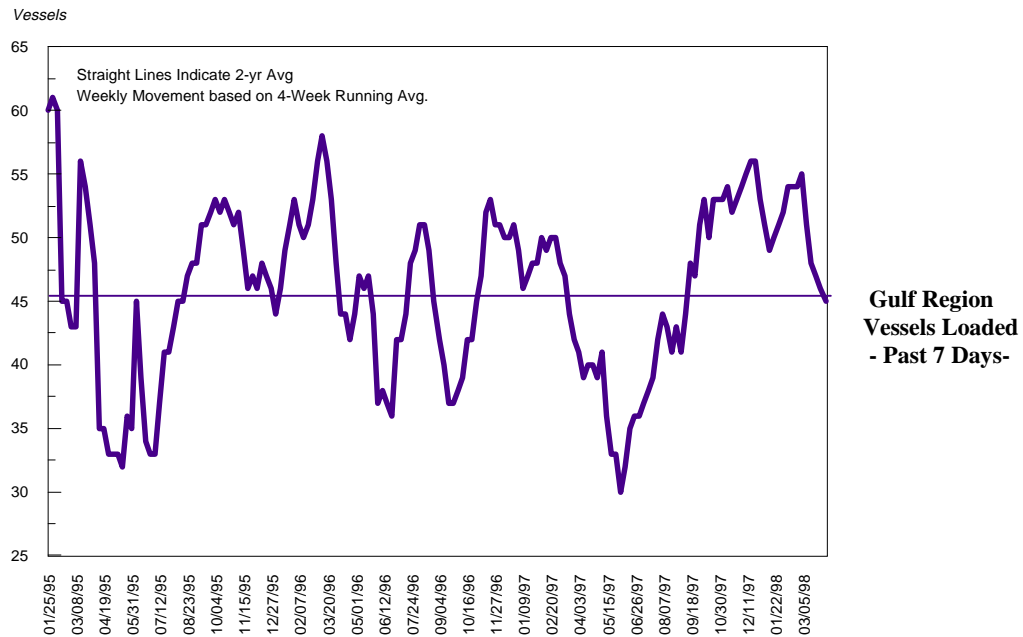
	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
04/16/98	212	53	0	82	491	110	103	34	0
1998 YTD **	2,995	2,400	348	1,850	8,177	6,265	1,939	96	474
1997 YTD **	3,877	4,162	729	1,159	9,527	6,937	871	897	402
% of Last Year	77%	58%	48%	160%	86%	90%	222%	11%	118%
1997 Total	11,156	9,728	1,764	6,349	28,183	18,658	5,106	1,001	1,014
Source: Federal Grain Inspection Service *Year Ago-This Week a Year Ago ** YTD-Year-to-Date									

Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

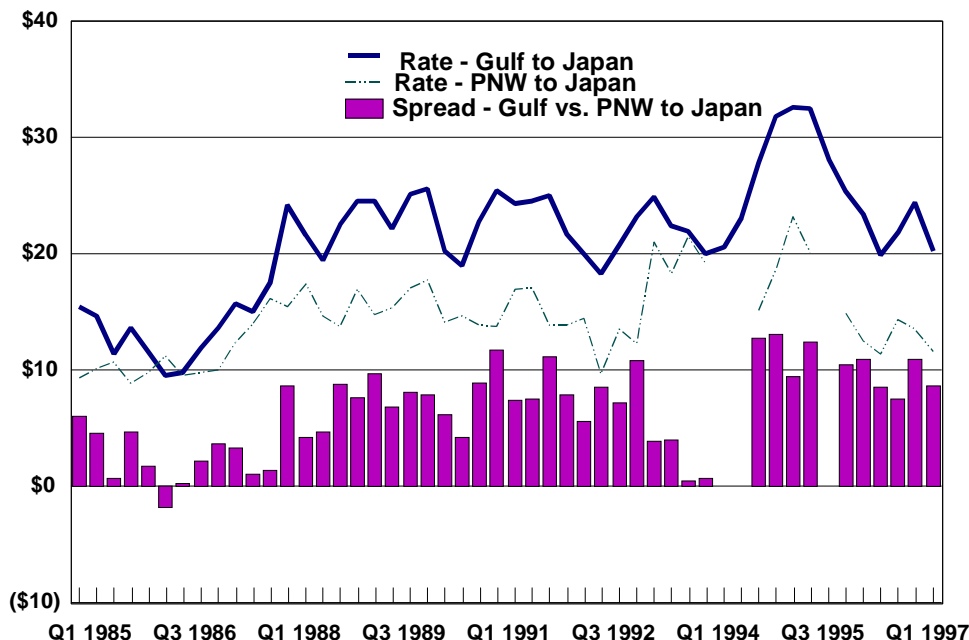
	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 04/17/98			
Vancouver	4,902	924	845
Prince Rupert	3,139	31	320
Prairie Direct	832	258	299
Thunder Bay	301	201	227
St. Lawrence	3,053	1,564	8
1997 YTD Exports	12,227	2,978	1,699
1996 YTD Exports	9,278	2,678	2,435
% of Last Year	132%	111%	70%

Source: Canadian Grains Commission *Year Ago-This Week a Year Ago ** YTD-Year-to-Date Crop Year 8/1-7/31



Port Region Ocean Grain Vessels									
	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
04/09/98	37	40	58				7	8	3
04/16/98	39	43	46				11	7	1
1997 Range	(11..52)	(25..61)	(31..89)						
1996 Range	(17..46)	(38..61)	(27..88)						
1997 Avg	37	46	62						
1996 Avg	31	45	60						
1995 Avg	31	46	61						
Source: Transportation & Marketing /AMS/ USDA									

US\$/Metric Ton



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates

Weighted Average Rates & Vessel Size, U.S. Dollars/Metric Ton - Basis

	1997 4 th Qtr	1996 4 th Qtr	% Change		1997 4 th Qtr	1996 4 th Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$22.01	\$22.64	-3%	Japan	\$13.34	\$14.66	-9%
Mexico	\$13.97	\$14.96	-7%	Red Sea/ Arabian Sea	\$20.18	\$22.74	-11%
Venezuela	\$13.59	\$12.62	8%				
N. Europe	\$11.34	\$13.28	-15%	Argentina to			
N. Africa	\$14.80	\$15.87	-7%	N. Europe	\$16.12	\$18.15	-11%
				Japan	\$23.23	\$30.37	14%

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates

Export Region	Import Region	Grain	Month	Vessel Size (Tons)	Freight Rate (\$/Ton)
St. Lawrence	Venezuela	Wheat	April	18,000	\$13.75
PNW	Phillippines	Heavy Grains	April	25,000	\$15.75-22.25
PNW	Taiwan	Heavy Grains	April	54,000	\$10.50
Santos (Brazil)	Lisbon/Hamburg	Grains	April	30,000	\$14.50
Rio Grande (Argentina)	Japan	Meals	May	25,000	\$26.00
River Plate/Brazil	Taiwan	Heavy Grains	Prompt	54,000	\$19.00
River Plate/Brazil	Taiwan	Heavy Grains	May	55,000	\$17.25

Source: Maritime Research Inc.